



200601060113

Skagit County Auditor

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**After Recording Return to:**

W F Financial Services of Washington, Inc.  
P.O. Box 1473  
Anacortes, WA 98221

**CHICAGO TITLE IC37521**  
**ACCOMODATION RECORDING**

Chicago Title Company has placed  
this document for recording as a  
customer courtesy and accepts no  
liability for its accuracy or validity.

### DEED OF TRUST

THIS DEED OF TRUST, made this 3<sup>rd</sup> day of JANUARY, 2006, between ROYAL CELTIC INVESTMENT & HOLDING COMPANY, a Washington corporation, Grantor, whose address is 608 17th Avenue, Kirkland, WA 98033, represented herein by its duly authorized President, Kemper Dougan, pursuant to a resolution of the Board of Directors, CHICAGO TITLE INSURANCE COMPANY, a corporation, Trustee, whose address is P.O. Box 638, Mount Vernon, WA 98273, and W F FINANCIAL SERVICES OF WASHINGTON, INC., Beneficiary, whose address is Box 1473, Anacortes, WA 98221;

WITNESSETH: Grantor hereby bargains, sells and conveys to Trustee, in trust, **with power of sale**, the following described real property in Skagit County, Washington:

LOT 6, PLAT OF SUNSET COVE ESTATES, according to the plat thereof recorded November 29, 2000, under Auditor's File No. 200011290070, records of Skagit County, Washington

Assessor's Tax Parcel ID#: P117667

**which real property is not used principally for agricultural or farming purposes**, together with all tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in any wise appertaining, and the rents, issues and profits thereof.

This deed is for the purpose of securing performance of each agreement of Grantor herein contained, and payment of the sum of THREE HUNDRED THOUSAND AND NO/100THS DOLLARS (\$300,000.00), with interest, in accordance with the terms of a Promissory Note of even date herewith, payable to Beneficiary or order, and made by Grantor, and all renewals, modifications and extensions thereof, and also such further sums as may be advanced or loaned by Beneficiary to Grantor, or any of their successors or assigns, together with interest thereon at such rate as shall be agreed upon.

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.

2. To pay before delinquent all lawful taxes and assessments upon the property; and to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.

3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by Beneficiary, and be in such companies as Beneficiary may approve, have loss payable first to Beneficiary as its interest may appear, and then to Grantor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured in such order as Beneficiary shall determine. Such application by Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

5. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of Trustee incurred in enforcing the obligation secured hereby, and Trustee's and attorney's fees actually incurred, as provided by statute.

6. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust, and be immediately due and payable.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured, or to declare default for failure to so pay.

3. Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto on written request of Grantor and Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by



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Beneficiary or the person entitled thereto.

4. Upon default by Grantor in the payment of any indebtedness secured hereby, or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Deed of Trust Act of the State of Washington, at public auction to the highest bidder. Any person, except Trustee, may bid at the Trustee's Sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

5. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value.

6. The power of sale conferred by this Deed of Trust and by the Deed of Trust Act of the State of Washington is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

7. Upon the resignation, incapacity, disability, absence or death of the Trustee, or the election of the Beneficiary to replace the Trustee, the Beneficiary shall appoint a successor Trustee. Upon recording the appointment of a successor Trustee in each county in which the deed of trust is recorded, the successor Trustee shall be vested with all powers of an original Trustee. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party, unless such action or proceeding is brought by Trustee.

8. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but upon their heirs, devisees, legatees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

ROYAL CELTIC INVESTMENT & HOLDING COMPANY, Grantor

By *Kemper Dougan*  
KEMPER DOUGAN, PRESIDENT

STATE OF WASHINGTON )

COUNTY OF *King* )ss.

I certify that I know or have satisfactory evidence that KEMPER DOUGAN is the person who appeared before me, and said person acknowledged that SHE signed this instrument, on oath stated that SHE was authorized to execute the instrument and



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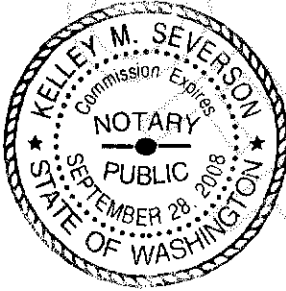
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acknowledged it as the President of Royal Celtic Investment & Holding Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 3rd day of JANUARY, 2006.



K. Severson  
K. Severson

(Legibly print name of notary)

NOTARY PUBLIC in and for the State of Washington, residing at BofA K. Evland

My commission expires 9/28/08

### REQUEST FOR FULL RECONVEYANCE

**To be used only when Note has been paid.**

TO: CHICAGO TITLE INSURANCE COMPANY, Trustee

THE UNDERSIGNED is the legal owner and holder of the Note and all other indebtedness secured by the within Deed of Trust. Said Note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said Note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with said Deed of Trust, and to convey, without warranty, to the parties designated by the terms of said Deed of Trust all the estate now held by you thereunder.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

W F FINANCIAL SERVICES OF WASHINGTON, INC.

BY \_\_\_\_\_, Beneficiary

Mail reconveyance to:



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